



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture



JANUARY 15, 2002

Columbia River Improvement One Step Closer. The plan to deepen the Columbia River channel appears to have moved forward, following the submission of the U.S. Army Corps of Engineers' Biological Assessment (BA) on January 3, according to a press release from the Columbia River Channel Coalition. The Coalition, a Portland, OR-based advocacy group, provides information to elected officials and community leaders to help build regional and national consensus for the \$183.6 million needed for the project, \$32.6 million of which is for the Willamette River area. The effort is supported by Oregon Governor John Kitzhaber, who stated that the success of channel deepening "will depend on coalition-building with a broad range of stakeholders."

The Columbia River Channel Navigation Project proposes that deepening the river channel from 40 to 43 feet will be necessary for roughly 60 percent of the approximate 100-mile-long navigation channel from the area of Tongue Point, near the eastern side of Astoria, OR, to the Port of Portland area. This portion of the Columbia River has historically maintained a dredged channel depth of 40 feet. To allow safe passage of the new generation of larger, more efficient, fully loaded deep draft vessels, however, the channel must be dredged an additional 3 feet. The current depth is a constraint, not only to roughly 75 percent of the container ships in the transpacific fleet, but also to the grain-carrying bulk fleet, over half of which is restricted in Portland and other Columbia River ports due to channel depth.

The economic importance to the region and specifically to agriculture, according to project supporters, is evident in that the Columbia River is the number one export gateway of U.S. wheat and the second largest agricultural gateway in the world. The Mississippi River, in comparison, handles the largest volume of agricultural exports in the world through ports in the area of New Orleans. This portion of the Mississippi River, north to Baton Rouge, LA, is maintained at a channel depth of 45 feet or more, reaching depths of 100-200 feet in certain parts of the river. However, according to the Columbia River Channel Coalition, a depth of no more than 43-feet will be necessary to allow the efficient and safe passage of full container and full grain vessels and to "preserve Portland's niche of providing competitive direct vessel service for regional shippers." The river provides transportation service to over 1,000 growers, producers, and manufacturers in the region who use the Columbia River ports for both exports and imports. The 43-foot channel depth is not meant to make Portland a "mega-port," states the Coalition.

The proposed project also intends to be environmentally beneficial by restoring 1,250 acres of wildlife habitat at Shillapoo Lake (near Vancouver, WA), improving 38 miles of spawning streams in the lower Columbia River, and enhancing circulation for migrating salmonid in certain shallow water areas. The Corps BA identifies "some short-term effects on the river system..." but concludes that the project "can be completed without negative effects to salmonid populations," as well as benefitting wetland areas and native vegetation. The BA also allows for environmental monitoring and "adaptive management" for any environmental impacts discovered during monitoring.

The next step in the project will be a biological opinion from the National Marine Fisheries Service and the U.S. Fish and Wildlife Service. This final decision, expected by March, 2002, will determine whether the project will jeopardize any endangered species.

For additional, and up-to-date information you may contact The Columbia River Coalition at 503-285-6343, www.channeldeepening.com; or the U.S. Army Corps of Engineers, www.nwp.usace.army.mil, (American Journal of Transportation, www.ajot.com, 1/15; Columbia River Channel Coalition, www.channeldeepening.com, 1/15; Port of Portland, www.portofportland.com, 1/15; U.S. Army Corps of Engineers, www.nwp.usace.army.mil, 1/15)

Report Recommends Missouri Flow Be Modified. In a January 9 report, *The Missouri River Ecosystem: Exploring the Prospects for Recovery*, the National Academies' National Research Council stated that degradation to the Missouri River ecosystem will continue unless the natural water flow is significantly restored. The report indicates that the construction of dams, channelization of the lower 735 (navigable) miles of the river, building of levees, and other human activities have resulted in reductions in natural habitat and native species along the river. It recommends an "adaptive management" strategy that would "adapt decisions to changing social and economic situations as well as the latest scientific evidence." The report also recommends that such a strategy should consider environmental and economic goals equally and be directed by a formal group of all stakeholders.

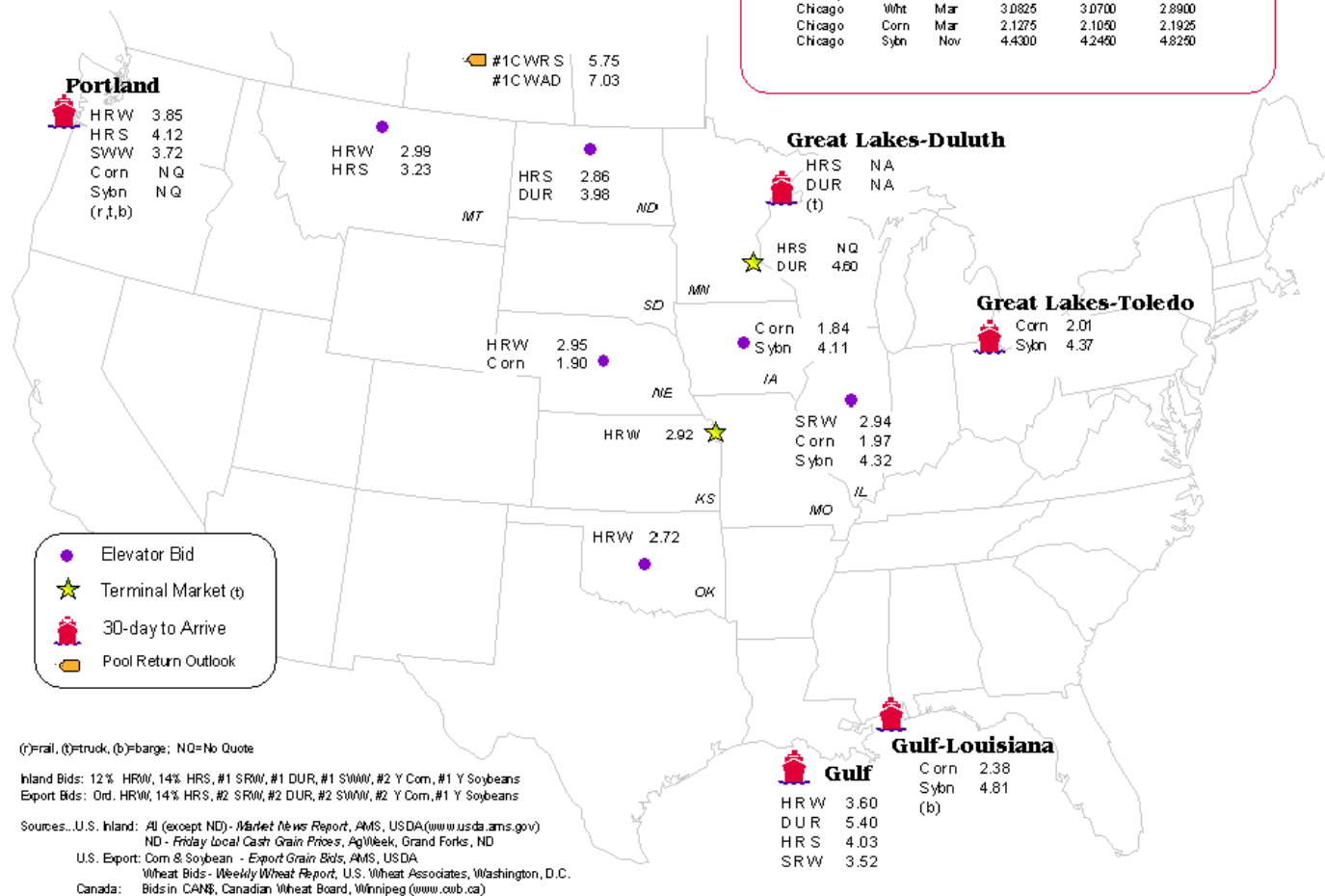
The report may be reviewed for free, online at the National Academy website: www.nap.edu/catalog/10277.html or purchased later this winter from the National Academy Press; tel. (202) 334-3313 or 1-800-624-6242. (National Academy of Sciences, www.nationalacademies.org/news.nsf/isbn, 1/9, National Grain and Feed Association www.ngfa.org)

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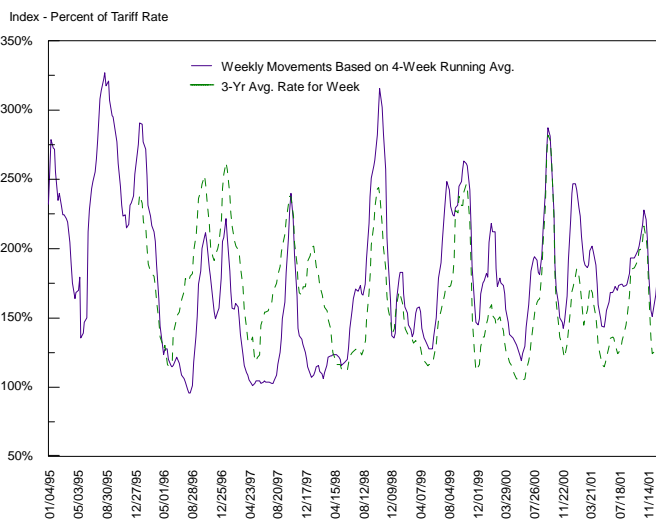
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Grain Bid Summary

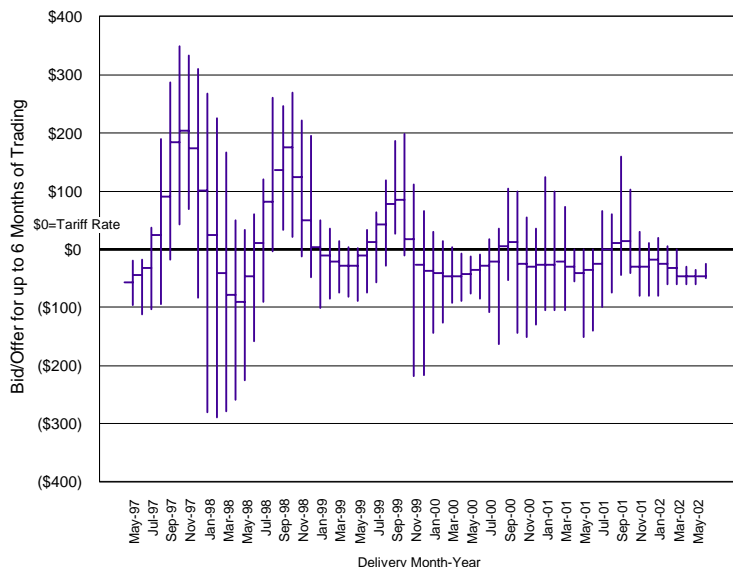
Futures:				Week Ago	Year Ago
			01/11/2002	01/04/2002	01/12/2001
Kansas City	Wht	Mar	2.9300	2.9100	3.3750
Minneapolis	Wht	Mar	3.0725	3.0750	3.3375
Minneapolis	Dur	Mar	n.a.	n.a.	n.a.
Chicago	Wht	Mar	3.0825	3.0700	2.8900
Chicago	Corn	Mar	2.1275	2.1050	2.1925
Chicago	Soyb	Nov	4.4300	4.2450	4.8250



Spot Barge Rate - Illinois River



Secondary Rail Market Bids



Rail Car 'Auction' Offerings

Delivery for:	Feb-02		Mar-02	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	11,512	3%	12,234	2%
UP-GCAS	5,400	0%	5,400	0%

Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Jan-02	Feb-02	Mar-02	Apr-02
BNSF-GF	\$14	\$(4)	\$(3)	\$(22)
UP-Pool	\$2	\$(4)	\$(15)	\$(25)

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;
GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Feb-02	Mar-02	Apr-02
COT/N. Grain	\$0	\$0	\$0
COT/S. Grain	\$4	\$0	\$0
GCAS/Region 2	no bid	no bid	no bid
GCAS/Region 4	no bid	no bid	no bid

Source: T&M/AMS/USDA. Data from www.bnsf.com, www.uprr.com,
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

Southbound Barge Freight Nominal/Cash Basis Values

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

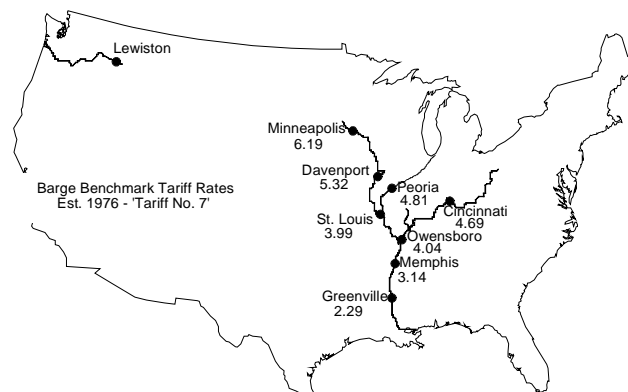
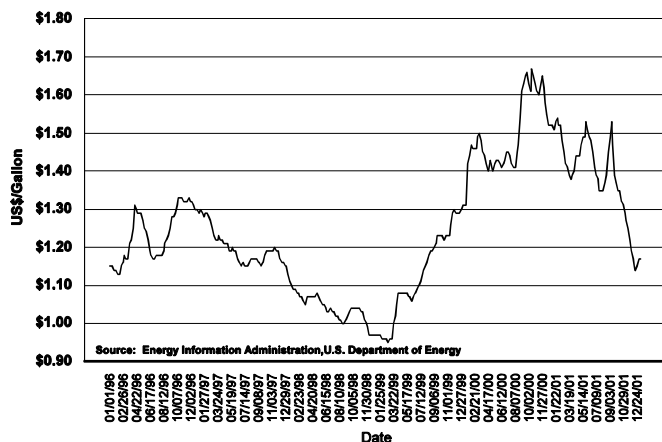
Week ended	River/Region	Contract Period	Rate	
			Futures	Cash
01/15/02	St. Louis	Jan	0	160
		Mar	128	140
		May	136	140
		Jul	0	140
		Sept	0	0
	Illinois River	Jan	0	175
		Mar	170	170
		May	0	160
		Jul	0	168
		Sept	0	0

Source: St. Louis Merchants Exchange

Southbound Barge Freight Spot Rates

	1/9/02	1/2/02	Feb '02	Apr '02
Twin Cities	0	0	0	198
Mid-Mississippi	0	0	0	174
Illinois River	171	194	173	163
St. Louis	135	147	137	134
Lower Ohio	141	160	145	143
Cairo-Memphis	129	133	129	129

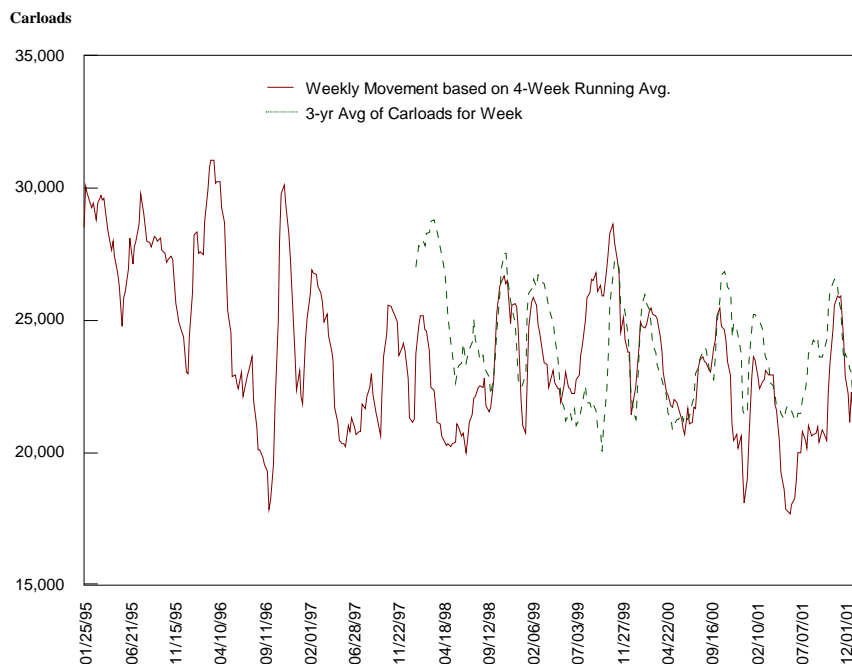
Source: Transportation & Marketing /AMS/USDA
nq=no quote;

Weekly Retail Diesel (Road) Prices (Including Taxes)

Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
12/22/01	22,854
12/29/01	14,703
01/05/02	18,239
Year to Date - 2001	1,135,840
Year to Date - 2000	1,207,583
Total 2000	1,188,917
Total 1999	1,270,375

Source: Association of American Railroads



Class I Rail Carrier Grain Car Bulletin

Grain Carloads Originated

Train Carloads Originated									
			East		West			Canada	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP
01/05/02	0	2,477	0	2,914	6,927	443	5,478	3,812	2,947
This Week Last Year	0	2,597	0	2,941	7,478	194	5,456	3,803	4,136
2001 YTD	0	154,341	0	165,932	435,530	26,773	352,634	258,794	235,408
2000 YTD	0	150,305	70,155	156,846	433,327	26,709	370,241	164,552	243,806
2000 Total	0	147,708	70,155	153,905	425,849	26,515	364,785	160,749	239,670
1999 Total	15,522	132,157	88,056	138,379	465,088	33,911	398,262	121,381	206,328

Source: Association of American Railroads

Tariff Rail Rates for Unit Train Shipments

January 2002

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
01/07/02	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
01/07/02	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
01/07/02	46540	Wheat	Kansas City, MO	Houston, TX	\$1,650	\$18.19	\$0.50
01/07/02	43586	Wheat	Kansas City, MO	Portland, OR	\$4,347	\$47.92	\$1.30
01/07/02	43581	Wheat	Omaha, NE	Portland, OR	\$4,005	\$44.15	\$1.20
01/07/02	31040	Corn	Minneapolis, MN	Portland, OR	NA	\$0.00	\$0.00
01/07/02	31035	Corn	Kansas City, MO	Portland, OR	\$2,700	\$29.76	\$0.76
01/07/02	31040	Corn	Omaha, NE	Portland, OR	NA	\$0.00	\$0.00
01/07/02	61180	Soybean	Minneapolis, MN	Portland, OR	NA	\$0.00	\$0.00
01/07/02	61180	Soybean	Omaha, NE	Portland, OR	NA	\$0.00	\$0.00
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

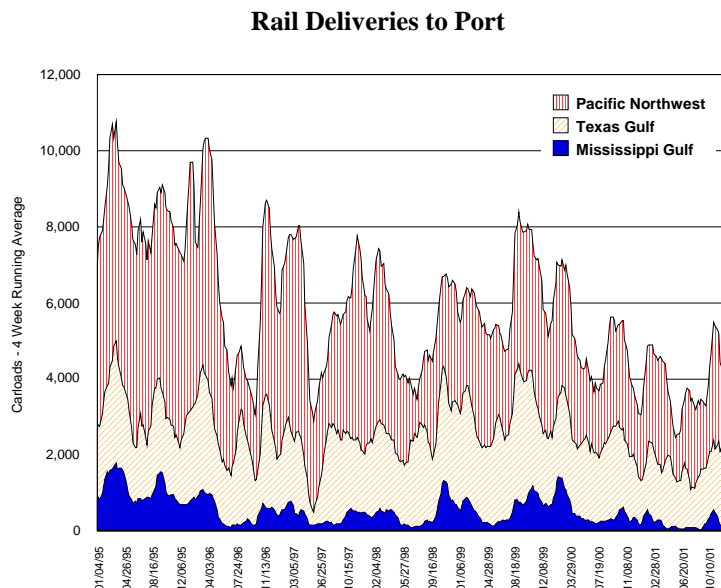
Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Rail Deliveries to Port**Carloads**

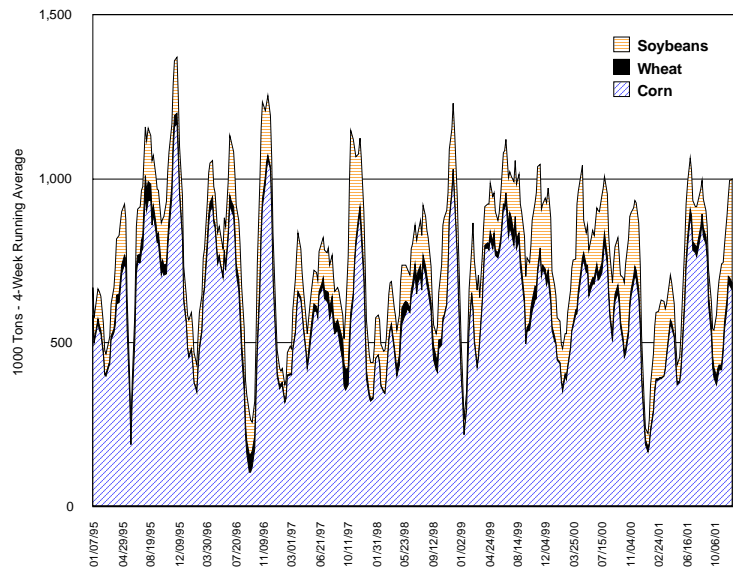
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
12/05/01	230*	2,307	1,717	605
12/12/01	137*	2,081	1,523	643
12/19/01	201*	1,842	1,953	507
12/26/01	59*	1,448	2,309	586
01/02/02	250*	1,255*	1,137	717
01/09/02	195*	1,934*	2,029	966
YTD 2002	195*	1,934*	2,029	966
YTD 2001	10,272	83,059	112,513	27,321
Total 2000	25,675	105,308	129,464	14,816
Total 1999	30,038	132,069	161,492	14,446

Source: Transportation & Marketing/AMS/USDA



(*) Incomplete Data

(**) Revised Data

Barge Movements - Locks 27**Barge Grain Movements**

for week ending 1/5/02

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	closed	during	winter	months
Winfield, MO (L25)	3	0	11	14
Alton, IL (L26)	266	8	169	446
Granite City, IL (L27)	245	5	168	420
Illinois River (L8)	218	8	114	343
Ohio (L52)	n/a	n/a	n/a	n/a
Arkansas (L1)	0	19	10	28
2001 YTD	245	23	177	449
2000 YTD	272	28	65	376
Total 2000	33,482	2,518	10,327	48,247
Total 1999	36,711	2,883	9,771	51,887

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.

Source: U.S. Army Corp of Engineers

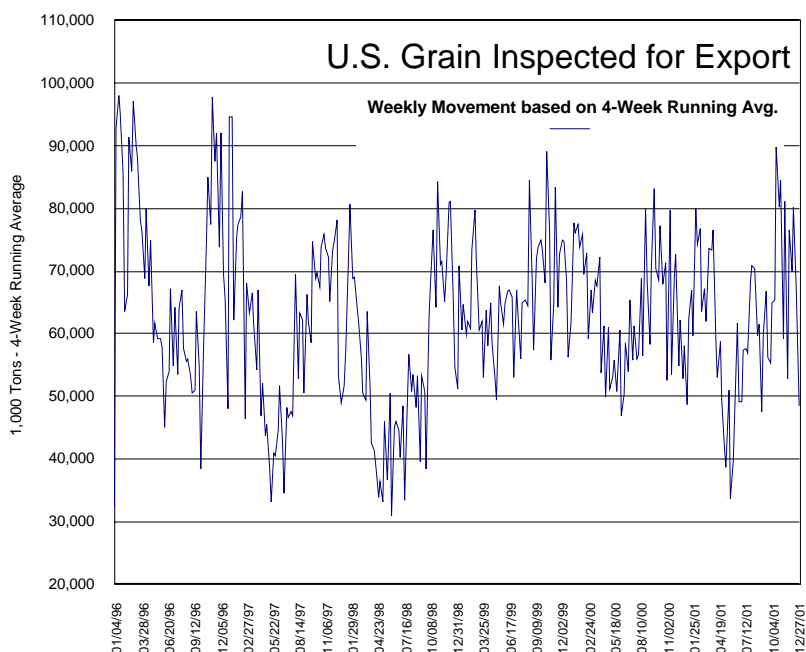
U.S. Export Balances (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	Wheat <i>SWW</i>	<i>DUR</i>	<i>All</i>	Corn	Soybean	Total
<u>Unshipped Exports-Crop Year</u>									
01/03/02	1,124	633	936	617	124	3,433	7,045	7,885	18,363
This Week Year Ago	906	179	920	596	173	2,775	6,252	5,712	14,739
<u>Cumulative Exports-Crop Year</u>									
00/01 YTD	5,046	3,534	3,316	1,934	800	14,630	14,456	12,997	42,083
99/00 YTD	5,946	2,898	3,379	3,132	748	16,103	15,896	17,713	49,712
97/98 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
96/97 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942

Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31**Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons**

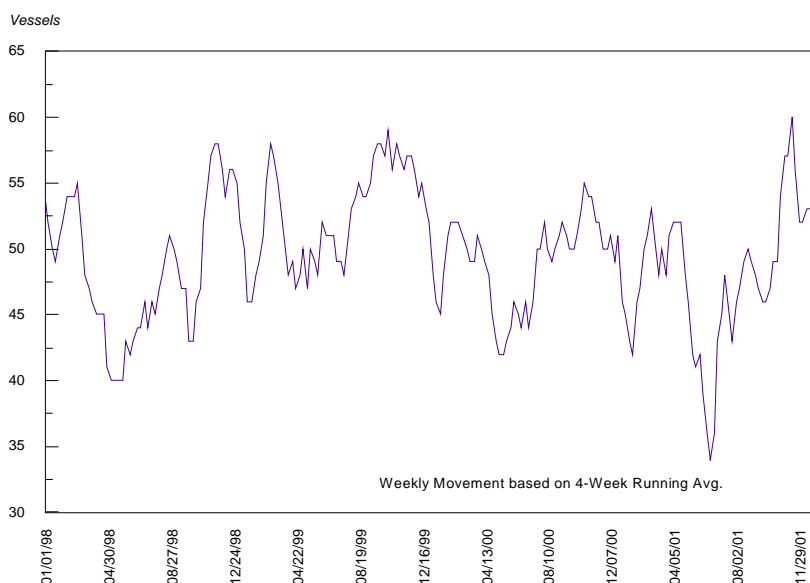
	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
01/10/02	177	114	49	39	668	760	212	0	110
2001 YTD	10,060	5,295	2,896	6,421	35,553	18,649	6,139	267	1,692
2000 YTD	10,300	5,989	1,663	7,046	36,072	18,974	7,105	470	1,008
% of Last Year	101%	88%	169%	95%	101%	104%	89%	57%	168%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

Source: Federal Grain Inspection Service YTD-Year-to-Date

**Select Canadian Ports - Export Inspections**
1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 01/03/02			
Vancouver	3,097	166	280
Prince Rupert	222	0	0
Prairie Direct	561	173	116
Thunder Bay	290	176	45
St. Lawrence	1,329	660	0
2001 YTD Exports	5,499	1,175	441
2000 YTD Exports	5,274	1,466	634
% of Last Year	104%	80%	70%

Source: Canadian Grains Commission, Crop year 8/1-7/31



**Gulf Region
Vessels Loaded
- Past 7 Days-**

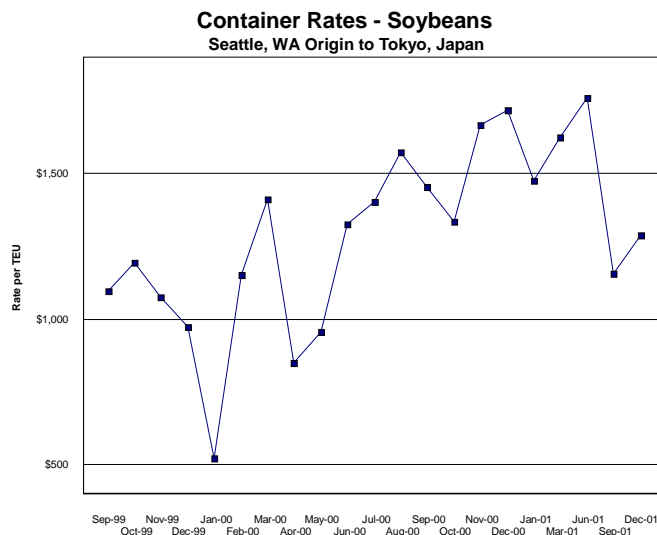
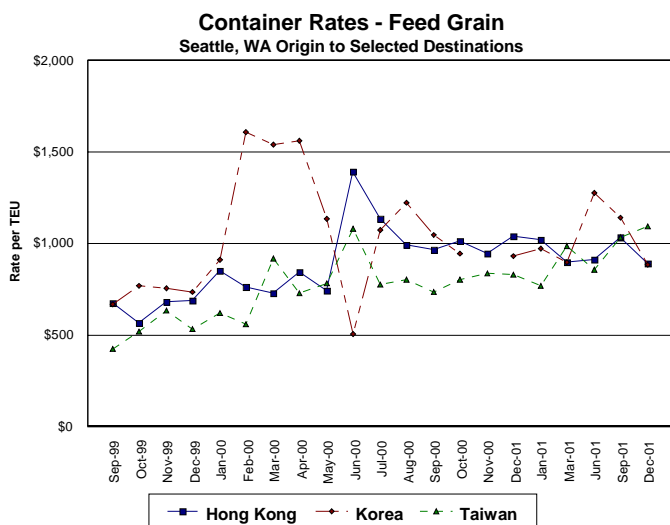
Port Region Ocean Grain Vessels

	Gulf			Pacific Northwest			Vancouver, B.C.		
	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>
01/03/02	43	42	68	8			8	4	3
01/10/02	54	66	73	7			3	10	6
1999 Range	(14..47)	(39..65)	(34..80)	(6..18)			(2..20)	(2..15)	(0..9)
1998 Range	(19..62)	(34..64)	(40..93)				(1..19)	(3..14)	(0..10)
1999 Avg	32	52	65				9	9	3
1998 Avg	40	48	61				10	9	3
1997 Avg	33	45	58						

Source: Transportation & Marketing /AMS/ USDA

Container Ocean Freight Rates

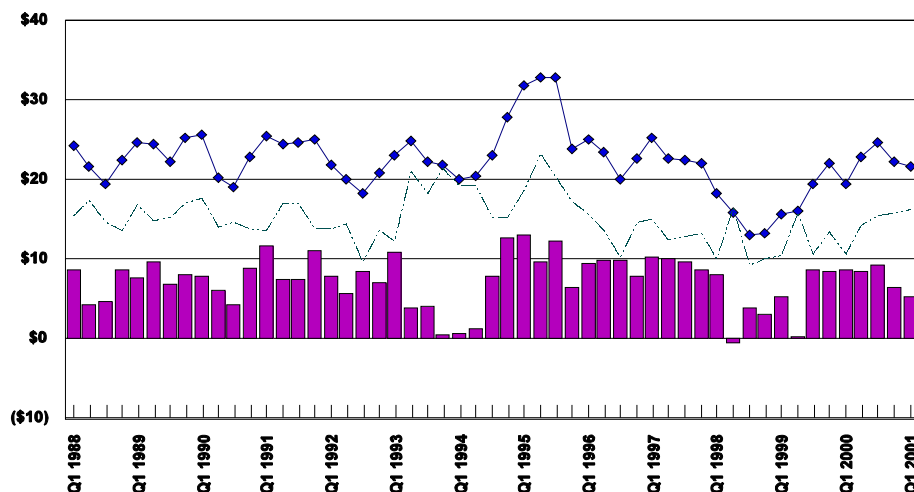
Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share



Source: Transportation & Marketing/AMS/USDA

◆ Rate - Gulf to Japan
 --- Rate - PNW to Japan
 ■ Spread - Gulf vs. PNW to Japan

US\$/Metric Ton



Quarterly Ocean
 Freight Rates

Quarterly Ocean Freight Rates

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton - Basis

	2001 3 rd Qtr	2000 3 rd Qtr	% Change		2001 3 rd Qtr	2000 3 rd Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$29.40	\$36.42	-19%	Japan	\$10.46	\$15.43	-32%
Mexico		\$16.11	-	Red Sea/ Arabian Sea		\$29.03	
Venezuela	\$13.45	\$15.13	-11%	Argentina to			
N. Europe	\$12.06	\$15.50	-33%	N. Europe			
N. Africa	\$18.21	\$34.19	-47%	Japan	\$16.22	\$18.62	-13%
Med. Sea	\$12.05	\$16.59	-27%		\$29.40	\$36.42	-19%

Source: Transportation & Marketing/AMS/USDA; (*) rates shown are for metric ton (2,204.62 lbs.=one metric ton)

Ocean Freight Rates (Select Locations) - week ending 1/12/02

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	Amsterdam	Heavy Grain	Prompt	33,000	\$10.35
Gulf	Lisbon/Hamburg	Grains	Jan 9/15	30,000	\$13.00
Gulf	Japan	Heavy Grain	Jan 15/25	54,000	\$17.60
Gulf	Japan	Heavy Grain	Jan 20/28	54,000	\$18.10
Gulf	Japan	Heavy Grain	Jan 22/Feb 2	54,000	\$17.65
PNW	Japan	Heavy Grain	Jan 12/19	54,000	\$10.75
Black Sea	Saudi Arabia	Barley	Jan 15/20	55,000	\$12.25

Source: Maritime Research Inc.; rates shown are for long ton (2,240 lbs.=one long ton), F.O.B., except where otherwise indicated; op=option